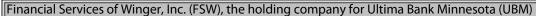
## **ANNUAL USE OF CAPITAL SURVEY - 2009**

## NAME OF INSTITUTION

(Include Holding Company Where Applicable)





Person to be contacted regarding this report:	Mark Finstad, CFO for FSW and President of UBM	RSSD: (For Bank Holding Companies)	1127276
CPP Funds Received:	\$3,742,000	Holding Company Docket Number: (For Thrift Holding Companies)	
CPP Funds Repaid to Date:	\$0	FDIC Certificate Number: (For Depository Institutions)	8867
Date Funded (first Funding):	7/31/2009	City:	Winger
Date Repaid¹:		State:	Minnesota

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

X	Increase lending or reduce lending less	We were able to grow our loan volume by \$3,445,000 or 4.1% between July and December 2009.
	than otherwise would have occurred.	

<sup>&</sup>lt;sup>1</sup>If repayment was incremental, please enter the most recent repayment date.

increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	Loan growth was largely centered in our real estate portfolio with agricultural real estate up 12%, 1-4 family residential loans up 12.6% and commercial real estate up 10%.
Increase securities purchased (ABS, MBS, etc.).	
Make other investments	FSW purchased \$427,000 of other real estate from its subsidiary bank and continues to hold over \$1 million of the CPP funds in cash for further investment in UBM or repayment to the US Treasury. A small portion of the CPP was used for FSW debt service.
Increase reserves for non-performing assets	We increased our reserve for loan loss by \$607,000 or 73%.

X	Reduce borrowings	Short term borrowing was reduced by \$2 million.
	Increase charge-offs	
	increase charge-ons	
	Purchase another financial institution or	
	purchase assets from another financial institution	
X	Held as non-leveraged increase to total	\$2,050,000 of the CPP funds received were used to increase equity capital in Ultima Bank Minnesota.
	capital	This raised our equity capital to assets ratio to about 10%, a goal we continue to work to maintain
		despite the significant loan growth we have experienced.

What actions were you able to avoid because of the capital infusion of CPP funds?  We were able to avoid curtailing new loan growth. Quality loan demand remains significant in our market area and we have seen some		

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?		
The CPP has given us a chance to finance growth within our existing customer base and pick up quality new customers that were not able to secular financing at their respective financial institutions while maintaining a strong equity position and adequate reserve for loan loss.	ure	

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.		
We have extended more favorable terms to several single family home owners in an effort to keep them in their homes by matching debt service		
with their ability to pay.		

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1505-0222. The time required to complete this information collection is estimated to average 80 hours per response.